



Subject Attendance Allowance
Purpose For Decision
From Remuneration Committee

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1. Summary

At its September 2016 meeting, the Board agreed to extend the existing reading time policy to include Board members and Examiners. The Board also requested that the external pay and job benchmarking be carried out for all ARB non-staff roles immediately, rather than waiting for the delayed outcome of the Periodic Review as originally proposed.

Crowe Clark Whitehill (CCW), the Board's appointed external auditors, were asked to conduct the review on behalf of the Remuneration Committee, CCW submitted an initial report in July 2017. CCW's initial report looked at benchmarking the remuneration paid to Board members and to other roles undertaken by external advisers to support the delivery of ARB's statutory responsibilities.

The Remuneration Committee met with CCW in July 2017 to discuss the report's initial findings and to request some further information. The Committee also decided, given the changes to the governance arrangements recommended as part of the Periodic Review recommendations, that the Board attendance allowance element of the report should be prioritised, particularly as the DCLG will be going out to recruit shortly.

The final report as prepared by CCW was presented to the Remuneration Committee in August 2017 and is attached at **Annex A**. The Remuneration Committee held a telephone conference on the 31 August 2017, the draft minutes of that meeting are attached at **Annex B**.

2. Recommendations

It is recommended that the Board:

- i. Agrees to amalgamate the Board Member daily attendance allowance and Board Member reading time, currently claimable for Board and Committee meetings, to a daily rate of £375.00 or £187.50 for a half day.
- ii. Discuss and agree a start date for (i) to become operational
 - Start from 1 October 2017; or
 - Start from the first meeting of the new Board constitution.
- iii. Agrees that Prescription Committee members can claim for reading time over 3 hours at a rate of £50 per hour (Combined attendance rate includes first 3 hours of reading).

- iv. Agrees that no other changes are made to the existing arrangements for non-board members until the various internal reviews have taken place
- v. The Board are also asked to note the following
 - (i) that the Remuneration Committee have asked the Executive to undertake further exploration work in relation to the introduction of carer's allowance.
 - (ii) a review of the travel and subsistence policy will be undertaken by the Remuneration Committee at its meeting in December, when the current policy will have been in operation for a year.

3. Open

4. Contribution to the Board's Purpose and Objectives

In delivering the Act, ARB's objectives are:

Protect the users and potential users of architects' services

Support architects through regulation.

An appropriate level of remuneration for Board, Committee, panel members, advisers and ARB's staff ensures that ARB is fair, effective and efficient and assists in supporting all of ARB's strategic objectives.

5. Background

- i. In July 2016 the Remuneration Committee recommended to the Board that the daily attendance allowance rate for Board members be increased back to the pre 2010 rate of £275.00, with effect from August 2016. However, The DCLG requested that this decision be deferred whilst it carried out a benchmarking exercise to which the Board agreed. The benchmarking from the DCLG was however limited to Chairs of Boards.

At the September 2016 Board meeting, the Board agreed to hold the daily attendance allowance at its current rate of £250.00, but to extend its policy on reading time to include Board members and other external advisers.

In addition to the decisions made above, the Board requested that an external pay and job benchmarking exercise be carried out for all ARB non-staff roles, rather than waiting for the delayed outcome of the Periodic Review as originally proposed.

In line with the report from CCW, the Committee discussed the following options:

- ii. **Continue with a Daily Rate or introduce an annual fixed fee?**

After consideration, it was agreed that the introduction of an annual fee could be attractive in the future, once the all appointed Board is in place and a new

governance structure has been decided.

It was also noted that ARB has a high attendance rate at meetings compared to other regulators paying Honoria, and that a drop in attendance rate might be a risk for the Organisation should an annual fixed fee be introduced. The Committee also acknowledged that the Board handbook would need to be updated to deal with non-attendance at meetings.

iii. Leave the daily attendance and reading time at the current rates and wait for governance changes (April 18) v Merge daily attendance and reading time giving a new set day rate

The Committee agreed to merging the two rates to give one daily rate (recommended by Crowe Clark Whitehill as being £375 per day to broadly equate to current remuneration findings). However, they did explore the risks associated with this, particularly in relation to how it might be viewed by the press & DCLG and whether it would look like an actual increase. The Committee were advised that for Board meetings alone, this change would actually in effect be a £25 reduction per meeting (based on Board members claiming attendance in addition to the maximum three hours reading). The Committee were also advised that this approach would reduce the administrative burden associated with checking expenses, and would clarify the daily rate payable when the next Board member appointments process takes place.

There was also a discussion around the timing of the change as to whether it should be with immediate effect or when the new governance arrangements come in to place. This is something that the Board will need to decide on if this is the preferred option.

Since the August Remuneration Committee meeting, the Registrar & Chief Executive has spoken with the DCLG about the outcomes of the CCW remuneration review. No concerns were raised at the suggested combined attendance and reading allowance recommendation.

iv. Should the Chair of the Board and Chair of the Committees be paid extra?

The Committee felt that any decision on enhanced Chair's pay should be left to the new Board to decide once the new Board/Committee structures are in place. The Committee acknowledged the risk of this when advertising for a Chair of the Board, however felt this could be covered by stating the anticipated commitment in days (to include an amount for Chair duties). In addition, any advertising material could state that the current remuneration may be subject to review.

v. Prescription Committee

Currently members of the Committee claim for attendance at meetings and associated reading time. However, unlike other committees there is no cap on the level of reading time that can be claimed.

The Remuneration Committee acknowledged that capping the reading time wasn't a simple solution due to the nature of the Prescription Committee's work. It also acknowledged the review of prescription process that is underway which may change the processes or procedures of the Prescription Committee.

Therefore, it is recommended that the amalgamated daily attendance of £375 will include three hours of reading, with any reading time above three hours claimable at the existing rate of £50 per hour.

vi. **Carer's allowance**

Whilst the Committee felt this was something it would like to implement, it noted that it would need further exploration, as those bodies benchmarked could not provide any guidance on how they manage the criteria for claims, and how they ensure equality among the various groups (both staff and non-staff).

6. Resource implications

The above recommendations can be implemented within the existing budget. The administrative burden of checking and processing both daily attendance allowance and reading time will also be reduced.

At present, the governance arrangements and committee structures remain unknown. However, cost will have to be factored into any changes and approved by the Board at that time.

7. Risk Implications

It is important that we continue to attract and retain high quality individuals who deliver key roles, in the most efficient and effective manner. Having a clear understanding of what Board members will be paid will be important when the DCLG go out to recruit for Board members under the new governance arrangements.

8. Communication

The Board needs to ensure that its policies for payment of attendance allowances and reading times are set at a level where it attracts the skills and expertise required by the Board.

The changes to the policy are to assist in reducing the administrative burden of processing claims as well as it being more transparent to potential applicants when the Board positions are advertised.

9. Equality and Diversity Implications

These are considered within the above paper as the attendance allowance must ensure that all appropriately qualified people can participate whatever their income or circumstances. Those with caring responsibilities may, for example, face an additional burden in seeking to contribute to ARB's work; however, ARB continues to pay an attendance allowance to assist

those wishing to participate.

10. Further Actions

The next steps would be to continue with the benchmarking for other non-staff groups. A number of these groups are currently being reviewed as part of our business as usual and Periodic Review outcomes, which may impact on the benchmarking.